

TOWN OF STRATTON, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2019

TOWN OF STRATTON, COLORADO

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# HANCOCK FROESE & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS  
601 SOUTH EIGHTH STREET  
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## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Council  
Town of Stratton, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Stratton, Colorado as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town of Stratton, Colorado's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town of Stratton, Colorado as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Comparative Actual Information***

Other auditors previously audited the Town's 2018 financial statements and expressed unmodified audit opinions on those audited financial statements in their report dated June 25, 2019. In our opinion, based on the report of other auditors, the comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Stratton, Colorado's basic financial statements. The combining and individual fund financial statements, budget schedules and the local highway finance report, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budget schedules and the local highway finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budget schedules and the local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Hancock Froese & Company LLC*

HANCOCK FROESE & COMPANY LLC

September 10, 2020

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## TOWN OF STRATTON, COLORADO

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of The Town of Stratton's (the "Town") financial performance provides an overview of the Town's financial activities for the fiscal years ended December 31, 2019 and 2018. Readers are encouraged to consider the information presented here in conjunction with the financial statement information.

#### **FINANCIAL HIGHLIGHTS**

1. Assets of the Town exceed its liabilities by \$5,020,162 of which \$3,315,502 is from the Town's Business-type Activities. Unrestricted net position totaled \$938,736 and may be used to meet the Town's on-going obligations.
2. Net investment in capital assets is the largest portion of the Town's net position. \$2,628,686 is in the Town's Business-type Activities and \$1,340,876 is in the Town's Governmental Activities.
3. Restricted net assets include \$11,900 required by TABOR, the emergency contingency required by Article X, Section 20 of the Colorado Constitution, \$35,664 for parks and recreation using conservation trust funding and \$64,300 for debt services on the loans in the Water Proprietary Fund and Sanitation Proprietary Fund.
4. The Town's debt is for improvements to the water and sewer infrastructure projects for a total of \$1,268,894.
5. The Town's Governmental Funds reported a combined ending fund balance of \$346,124 including the General Fund with \$304,122, the Conservation Trust Fund with \$35,664 and the Lodgers Tax Fund with \$6,338.
6. The Governmental Funds reported total unassigned fund balance of \$292,222. The unassigned fund balance is all made up of from the General Fund.
7. The Town's Proprietary Funds reported combined Total Net Position of \$3,315,502 of which \$622,516 is unrestricted, \$2,628,686 is net investment in capital assets and \$64,300 is restricted for debt services.
8. The Town's Proprietary Funds reported \$677,832 in cash.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts – management discussion and analysis (this section), the basic financial statements, required supplementary information and a section that presents budget statements, combining and individual fund financial statements and the local highway finance report (other supplementary information). This discussion and analysis serves as an introduction to Stratton's basic financial statements. The Town's basic financial statements consist of three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains required and other additional information in addition to the basic financial statements.

#### **Government-wide Financial Statements**

The *Government-wide Financial Statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to private-sector business. They consist of two statements:

1. The **Statement of Net Position** presents information on all of the Town's assets and liabilities, with the difference between the two reported as **net position**. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.
2. The **Statement of Activities** presents information reporting how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statements for some items that will result in cash flows in future fiscal periods. Earned but unused vacation leave and accrued interest expense are examples of these types of items.

Both Government-wide Financial Statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include General Governmental, Public Works, Public Safety, Economic Development, Health and Welfare, and Culture and Recreation. The business-type activities of the Town include Water, Sanitation and Community Building Funds.

### **Fund Financial Statements**

A Fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. All Town funds can be divided into two categories:

- Governmental funds
- Proprietary funds

**Governmental funds:** Governmental funds account for essentially the same functions reported as governmental activities in the Town-wide financial statements. Unlike the Town-wide financial statements, however, governmental fund financial statements focus on how money flows into and out of those funds and the balances at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information provides a detailed short-term view of the Town's general government operations and may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the Town-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Town-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. To facilitate this comparison between governmental funds and governmental activities, reconciliations are provided for both the governmental fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance.

The Town maintains two individual governmental funds. Information is presented separately in the governmental fund Balance sheet and the Statement of Revenue, Expenditures, and Changes in Fund Balance for each fund. Data from other governmental funds are combined into a single aggregated presentation.

**Proprietary funds:** The Town maintains one type of proprietary fund. Enterprise funds are used to report the same functions as business-type activities in the Town-wide financial statements. The Town uses Enterprise Funds to account for the Water, Sanitation and Community Building activities.

### **Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the Town-wide and fund financial statements.

### **Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town. The Town adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for all major funds to demonstrate compliance with the budget requirement. The Town also provides pension schedules that relate to the Statewide Defined Benefit Plan.

### **Other Information**

The Individual and Combining financial statements are presented immediately following the required supplementary information.

## **Financial Analysis of the Town as a Whole**

### **Net Position**

Net position may serve as useful indicator of a government's financial position. In the case of the Town of Stratton, assets exceeded liabilities by \$5,020,162 at the close of the most recent fiscal year.

The largest portion of the Town's net position 79.1% reflects the investment in capital assets (e.g. land, buildings, machinery and equipment) less any accumulated depreciation and related debt to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Restricted net position is designed to reflect the net position that is subject to restrictions beyond the Town's control; restricted net position is 2.2% of total net position.

Unrestricted net position may be used to meet the government's ongoing obligations to the citizens and creditors; unrestricted net position makes up the remaining 18.7% of total net position. The Town is able to report positive balances in all three categories of net position for the government as a whole, as well as for its separate business-type activities.

The following table reflects the condensed Statement of Net Position.

**Town of Stratton Combined Net Position as of December 31, 2019 and 2018**

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2019	2018	2019	2018	2019	2018
<b>Assets</b>						
Current Assets	\$ 456,054	\$ 538,215	\$ 695,935	\$ 685,459	\$ 1,151,989	\$ 1,223,674
Capital Assets	<u>1,340,876</u>	<u>1,415,400</u>	<u>3,897,580</u>	<u>3,960,921</u>	<u>5,238,456</u>	<u>5,376,321</u>
Total Assets	<u>1,796,930</u>	<u>1,953,615</u>	<u>4,593,515</u>	<u>4,646,380</u>	<u>6,390,445</u>	<u>6,599,995</u>
<b>Deferred Outflows of Resources</b>						
Deferred Pension Expense	<u>27,716</u>	<u>16,040</u>	<u>-</u>	<u>-</u>	<u>27,716</u>	<u>16,040</u>
<b>Liabilities</b>						
Current Liabilities	31,714	43,318	78,257	99,500	109,971	142,818
Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>1,199,756</u>	<u>1,388,178</u>	<u>1,199,756</u>	<u>1,388,178</u>
Total Liabilities	<u>31,714</u>	<u>43,318</u>	<u>1,278,013</u>	<u>1,487,678</u>	<u>1,309,727</u>	<u>1,530,996</u>
<b>Deferred Inflows of Resources</b>						
Deferred Rev.—Property Taxes	87,100	85,200	-	-	87,100	85,200
Deferred Pension Expense	<u>1,172</u>	<u>5,616</u>	<u>-</u>	<u>-</u>	<u>1,172</u>	<u>5,616</u>
Total Deferred Inflows	<u>88,272</u>	<u>90,816</u>	<u>-</u>	<u>-</u>	<u>88,272</u>	<u>90,816</u>
<b>Net Position</b>						
Net Investment in						
Capital Assets	1,340,876	1,415,400	2,628,686	2,487,047	3,969,562	3,902,447
Restricted	47,564	43,821	64,300	68,000	111,864	111,821
Unrestricted	<u>316,220</u>	<u>376,300</u>	<u>622,516</u>	<u>603,655</u>	<u>938,736</u>	<u>979,955</u>
Total Net Position	<u>\$1,704,660</u>	<u>\$1,835,521</u>	<u>\$ 3,315,502</u>	<u>\$3,158,702</u>	<u>\$ 5,020,162</u>	<u>\$ 4,994,223</u>

Restrictions in the governmental activities include \$11,900 for statutory reserves for emergencies required by TABOR and \$35,664 for restrictions on conservation trust funding and restrictions in the business-type activities include \$64,300 for debt services in the Water Proprietary Fund and Sanitation Proprietary Fund.

**Changes in Net Position**

The following table reflects a condensed summary of activities and changes in net position.

**Town of Stratton Condensed Changes in Net Position**

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 34,168	\$ 28,434	\$ 467,834	\$ 452,634	\$ 502,002	\$ 481,068
Operating Grants and Contributions	41,464	62,145	-	-	41,464	62,145
Capital Grants and Contributions	-	17,594	2,500	-	2,500	17,594
<b>General Revenue:</b>						
Property Taxes	96,361	82,624	-	-	96,361	82,624
Specific Ownership Taxes	9,673	8,748	-	-	9,673	8,748
Sales Taxes	132,704	92,720	-	-	132,704	92,720
Franchise Taxes	40,628	44,817	-	-	40,628	44,817
Other Taxes	16,385	14,919	-	-	16,385	14,919
Miscellaneous	6,025	34,059	-	-	6,025	34,059
Interest	<u>620</u>	<u>340</u>	<u>1,569</u>	<u>1,340</u>	<u>2,189</u>	<u>1,680</u>
Total Revenues	<u>378,028</u>	<u>386,400</u>	<u>471,903</u>	<u>453,974</u>	<u>849,931</u>	<u>840,374</u>

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2019	2018	2019	2018	2019	2018
<b>Expenses</b>						
General Government	109,298	124,226	-	-	109,298	124,226
Public Safety	13,188	82,118	-	-	13,188	82,118
Public Works	209,673	153,390	-	-	209,673	153,390
Economic Development	9,640	13,642	-	-	9,640	13,642
Health and Welfare	3,745	1,275	-	-	3,745	1,275
Culture and Recreation	132,253	141,096	-	-	132,253	141,096
Sanitation	-	-	96,024	151,003	96,024	151,003
Water	-	-	222,832	219,443	222,832	219,443
Community Building	-	-	27,340	29,829	27,340	29,829
<b>Total Expenses</b>	<b>477,797</b>	<b>515,747</b>	<b>346,196</b>	<b>400,275</b>	<b>823,993</b>	<b>916,022</b>
Revenues Over (Under) Expenditures	(99,769)	(129,347)	125,707	53,699	25,938	(75,648)
Transfer In (Out)	(31,092)	-	31,092	-	-	-
Change in Net Position	(130,861)	(129,347)	156,799	53,699	25,938	(75,648)
Net Position, Beginning	1,835,521	1,964,868	3,158,703	3,105,004	4,994,224	5,069,872
Net Position, Ending	<u>\$ 1,704,660</u>	<u>\$ 1,835,521</u>	<u>\$ 3,315,502</u>	<u>\$ 3,158,703</u>	<u>\$ 5,020,162</u>	<u>\$ 4,994,224</u>

Charges for services for the business-type activities for 2019 and 2018 are as follows:

	2019	2018
Sanitation	\$ 137,435	\$ 134,355
Water	319,066	307,780
Community Building	11,333	10,499
<b>Total Charges for Services</b>	<u>\$ 467,834</u>	<u>\$ 452,634</u>

## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The Town of Stratton uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### GOVERNMENTAL FUNDS

The focus of the Town of Stratton's governmental funds is to provide information on current year revenue, expenditures, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year. As of the end of the year, the town's governmental funds reported a combined fund balance of \$346,124. Of that fund balance, \$292,222 constitutes unassigned fund balance, which is available for spending at the government's discretion and \$6,338 is assigned for a specific purpose. The remainder of fund balance reflects a state constitution mandated emergency reserve of \$11,900 and a restriction on conservation trust funds of \$35,664.

### PROPRIETARY FUNDS

The Town's proprietary funds provide the same type of information found in the government-wide financial statements. All of the Town's proprietary funds are major funds. The funds include Water, Sanitation and Community Building Funds.

The net position balances and the change in net position of the Town's proprietary funds are reflected in the following table.

	Total Net Position		Change in Net Position for Year Ended	
	2019	2018	2019	2018
Sanitation	\$ 695,106	\$ 603,672	\$ 91,434	\$ (16,035)
Water	2,313,504	2,232,132	81,372	89,064
Community Building	306,892	322,899	(16,007)	(19,330)
<b>Total Enterprise Funds</b>	<u>\$ 3,315,502</u>	<u>\$ 3,158,703</u>	<u>\$ 156,799</u>	<u>\$ 53,699</u>

## **BUDGETARY HIGHLIGHTS**

The General Fund's final budget was \$422,680 in Revenues (including transfers in) and \$585,075 in Expenditures. The Actual amounts were \$335,922 in Revenues (including transfers) and \$393,622 in Expenditures.

The Sanitation Proprietary Fund's final budget was \$135,100 in Revenues and \$109,422 in Expenditures. The Actual amounts were \$187,458 (including transfers) in Revenues and \$165,582 in Expenditures (including debt service and capital outlay).

The Water Proprietary Fund's final budget was \$412,300 in Revenues and \$476,970 in Expenditures (including transfers out). The Actual amounts were \$322,615 (including capital contributions) in Revenues and \$411,138 in Expenditures (including transfers out).

The Community Building Proprietary Fund's final budget was \$13,550 in Revenues and \$19,850 in Expenditures. The Actual amounts were \$11,333 in Revenues and \$27,340 in Expenditures.

Current expenditures exceeded appropriations in the Sanitation Proprietary Fund, Water Proprietary Fund, Community Building Proprietary Fund and Conservation Trust Special Revenue Fund.

## **CAPITAL ASSETS**

At the end of 2019, the Town reported \$5,238,456 in capital assets compared to \$5,376,321 in 2018. Capital assets reported includes land, equipment, buildings, water, and sewer lines. See Note-4 for additional information. The change is due to acquisitions and the increase in depreciation expense.

## **LONG-TERM LIABILITIES**

Long Term Liabilities include three loans with Colorado Water Resources and Power Development Authority for upgrades to the water system and sewer system.

## **ECONOMIC FACTORS AFFECTING FUTURE FINANCIAL CONDITIONS**

The Town's elected officials considered many factors when setting the fiscal year 2020 budget, tax rates, and fees that will be charged for business-type activities.

Factors that have a potential to significantly impact the Town's 2020 budget include: 1.) ongoing rising cost of health insurance, 2.) fluctuation in fuel and energy costs, 3.) increase in Colorado's minimum wage and pay increases for employees, and 4.) the decision on whether or not to raise rates in proprietary funds.

The Town budgeted and will spend funds for the paving of streets in fiscal year 2020.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. Questions about this report and requests for additional information can be obtained by contacting the Town Clerk at 918 Colorado Avenue, Stratton, Colorado, 80836.

## **BASIC FINANCIAL STATEMENTS**

## TOWN OF STRATTON, COLORADO

## STATEMENT OF NET POSITION

DECEMBER 31, 2019

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash and cash equivalents	\$ 294,833	\$ 677,832	\$ 972,665
Receivables - net			
Accounts	11,585	44,491	56,076
Taxes	87,100	-	87,100
Notes	5,822	-	5,822
Intergovernmental	30,326	-	30,326
Due from (to) other funds	26,388	(26,388)	-
Capital assets - net of accumulated depreciation	1,340,876	3,897,580	5,238,456
<b>TOTAL ASSETS</b>	<b>1,796,930</b>	<b>4,593,515</b>	<b>6,390,445</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related	27,716	-	27,716
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 1,824,646</b>	<b>\$ 4,593,515</b>	<b>\$ 6,418,161</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,547	\$ -	\$ 1,547
Accrued expenses	21,283	6,371	27,654
Customer deposits	-	2,748	2,748
Net pension liability	8,884	-	8,884
Noncurrent liabilities			
Due within one year	-	69,138	69,138
Due in more than one year	-	1,199,756	1,199,756
<b>TOTAL LIABILITIES</b>	<b>31,714</b>	<b>1,278,013</b>	<b>1,309,727</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - property taxes	87,100	-	87,100
Pension related	1,172	-	1,172
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>88,272</b>	<b>-</b>	<b>88,272</b>
<b>NET POSITION</b>			
Net investment in capital assets	1,340,876	2,628,686	3,969,562
Restricted for:			
TABOR	11,900	-	11,900
Parks and recreation	35,664	-	35,664
Operations and maintenance	-	64,300	64,300
Unrestricted	316,220	622,516	938,736
<b>TOTAL NET POSITION</b>	<b>1,704,660</b>	<b>3,315,502</b>	<b>5,020,162</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b>\$ 1,824,646</b>	<b>\$ 4,593,515</b>	<b>\$ 6,418,161</b>

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF STRATTON, COLORADO

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
<b>GOVERNMENTAL ACTIVITIES:</b>			
General government	\$ 109,298	\$ 5,744	\$ -
Public safety	13,188	-	-
Public works	209,673	500	39,064
Economic development	9,640	-	-
Health and welfare	3,745	-	-
Culture and recreation	132,253	27,924	2,400
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>477,797</b>	<b>34,168</b>	<b>41,464</b>
<b>BUSINESS-TYPE ACTIVITIES</b>			
Sanitation	96,024	137,435	-
Water	222,832	319,066	-
Community Building	27,340	11,333	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>346,196</b>	<b>467,834</b>	<b>-</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 823,993</b>	<b>\$ 502,002</b>	<b>\$ 41,464</b>

GENERAL REVENUES

Taxes

Property taxes

Specific ownership taxes

Sales taxes

Franchise taxes

Other

Miscellaneous

Interest

TRANSFERS

TOTAL GENERAL REVENUES AND TRANSFERS

CHANGE IN NET POSITION

NET POSITION - BEGINNING

NET POSITION - ENDING

SEE NOTES TO FINANCIAL STATEMENTS

NET (EXPENSES) REVENUE  
AND CHANGES IN NET POSITION

CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		TOTAL
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
\$ -	\$ (103,554)	\$ -	\$ (103,554)
-	(13,188)	-	(13,188)
-	(170,109)	-	(170,109)
-	(9,640)	-	(9,640)
-	(3,745)	-	(3,745)
-	(101,929)	-	(101,929)
-	(402,165)	-	(402,165)
-	-	41,411	41,411
2,500	-	98,734	98,734
-	-	(16,007)	(16,007)
2,500	-	124,138	124,138
<u>\$ 2,500</u>	<u>(402,165)</u>	<u>124,138</u>	<u>(278,027)</u>
	96,361	-	96,361
	9,673	-	9,673
	132,704	-	132,704
	40,628	-	40,628
	16,385	-	16,385
	6,025	-	6,025
	620	1,569	2,189
	(31,092)	31,092	-
	271,304	32,661	303,965
	(130,861)	156,799	25,938
	1,835,521	3,158,703	4,994,224
<u>\$ 1,704,660</u>	<u>\$ 3,315,502</u>	<u>\$ 5,020,162</u>	

## TOWN OF STRATTON, COLORADO

## GOVERNMENTAL FUNDS

## BALANCE SHEET

DECEMBER 31, 2019

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>			
Cash and cash equivalents	\$ 257,805	\$ 37,028	\$ 294,833
Receivables			
Accounts	10,794	791	11,585
Taxes	87,100	-	87,100
Notes	5,822	-	5,822
Intergovernmental	30,326	-	30,326
Due from other funds	26,388	4,183	30,571
	<u>418,235</u>	<u>42,002</u>	<u>460,237</u>
<b>TOTAL ASSETS</b>	<b>\$ 418,235</b>	<b>\$ 42,002</b>	<b>\$ 460,237</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,547	\$ -	\$ 1,547
Accrued expenses	21,283	-	21,283
Due to other funds	4,183	-	4,183
	<u>27,013</u>	<u>-</u>	<u>27,013</u>
<b>TOTAL LIABILITIES</b>	<b>27,013</b>	<b>-</b>	<b>27,013</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - property taxes	87,100	-	87,100
	<u>87,100</u>	<u>-</u>	<u>87,100</u>
<b>FUND BALANCE</b>			
Restricted for:			
TABOR	11,900	-	11,900
Parks and recreation	-	35,664	35,664
Assigned for:			
Community and economic development	-	6,338	6,338
Unassigned	292,222	-	292,222
	<u>304,122</u>	<u>42,002</u>	<u>346,124</u>
<b>TOTAL FUND BALANCE</b>	<b>304,122</b>	<b>42,002</b>	<b>346,124</b>
	<u>\$ 418,235</u>	<u>\$ 42,002</u>	<u>\$ 460,237</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS     AND FUND BALANCE</b>	<b>\$ 418,235</b>	<b>\$ 42,002</b>	<b>\$ 460,237</b>

TOWN OF STRATTON, COLORADO

RECONCILIATION OF THE GOVERNMENT FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2019

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF  
NET POSITION ARE DIFFERENT BECAUSE:

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$	346,124
Capital assets used in governmental activities are not financial resources and therefore are not reported in funds.			
The cost of capital assets is		\$	2,605,150
Accumulated depreciation is			<u>(1,264,274)</u>
			1,340,876
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:			
Net pension asset (liability)			(8,884)
Deferred outflows - pension related amounts			27,716
Deferred inflows - pension related amounts			<u>(1,172)</u>
			<u>17,660</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		\$	<u><u>1,704,660</u></u>

TOWN OF STRATTON, COLORADO

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR YEAR ENDED DECEMBER 31, 2019

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>			
Taxes	\$ 281,492	\$ 14,258	\$ 295,750
Licenses and permits	845	-	845
Intergovernmental	39,064	2,400	41,464
Charges for services	34,168	-	34,168
Court and fines	705	-	705
Other	10,740	67	10,807
<b>TOTAL REVENUES</b>	<b>367,014</b>	<b>16,725</b>	<b>383,739</b>
<b>EXPENDITURES</b>			
General government	109,131	12	109,143
Public safety	11,013	-	11,013
Public works	184,902	-	184,902
Economic development	-	9,640	9,640
Health and welfare	3,745	-	3,745
Culture and recreation	84,831	-	84,831
<b>TOTAL EXPENDITURES</b>	<b>393,622</b>	<b>9,652</b>	<b>403,274</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(26,608)</b>	<b>7,073</b>	<b>(19,535)</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	5,119	-	5,119
Transfers out	(36,211)	-	(36,211)
<b>NET CHANGE IN FUND BALANCE</b>	<b>(57,700)</b>	<b>7,073</b>	<b>(50,627)</b>
<b>FUND BALANCE JANUARY 1</b>	<b>361,822</b>	<b>34,929</b>	<b>396,751</b>
<b>FUND BALANCE DECEMBER 31</b>	<b>\$ 304,122</b>	<b>\$ 42,002</b>	<b>\$ 346,124</b>

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF STRATTON, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT  
OF ACTIVITIES ARE DIFFERENT BECAUSE:

NET CHANGE IN FUND BALANCE \$ (50,627)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays differ from depreciation in the current period.

Capital outlay	\$ -	
Depreciation expense	(74,523)	
	(74,523)	(74,523)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds

Pension related amounts		(5,711)
		(5,711)

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (130,861)

TOWN OF STRATTON, COLORADO

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

DECEMBER 31, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	SANITATION	WATER	COMMUNITY BUILDING	TOTAL
<b>CURRENT ASSETS</b>				
Cash	\$ 61,960	\$ 612,547	\$ 3,325	\$ 677,832
Accounts receivable	-	44,491	-	44,491
<b>TOTAL CURRENT ASSETS</b>	<b>61,960</b>	<b>657,038</b>	<b>3,325</b>	<b>722,323</b>
<b>PROPERTY AND EQUIPMENT - NET</b>	<b>820,487</b>	<b>2,770,571</b>	<b>306,522</b>	<b>3,897,580</b>
<b>TOTAL ASSETS</b>	<b>\$ 882,447</b>	<b>\$ 3,427,609</b>	<b>\$ 309,847</b>	<b>\$ 4,619,903</b>
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued expenses	1,357	5,014	-	6,371
Customer deposits	-	2,693	55	2,748
Due to other funds	-	23,488	2,900	26,388
Loans payable - current maturities	23,320	45,818	-	69,138
<b>TOTAL CURRENT LIABILITIES</b>	<b>24,677</b>	<b>77,013</b>	<b>2,955</b>	<b>104,645</b>
<b>NONCURRENT LIABILITIES</b>				
Loans payable - net of current maturities	162,664	1,037,092	-	1,199,756
<b>TOTAL LIABILITIES</b>	<b>187,341</b>	<b>1,114,105</b>	<b>2,955</b>	<b>1,304,401</b>
<b>NET POSITION</b>				
Net investment in capital assets	634,503	1,687,661	306,522	2,628,686
Restricted for:				
Operations and maintenance	27,300	37,000	-	64,300
Unrestricted	33,303	588,843	370	622,516
<b>TOTAL NET POSITION</b>	<b>695,106</b>	<b>2,313,504</b>	<b>306,892</b>	<b>3,315,502</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 882,447</b>	<b>\$ 3,427,609</b>	<b>\$ 309,847</b>	<b>\$ 4,619,903</b>

## TOWN OF STRATTON, COLORADO

## PROPRIETARY FUNDS

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED DECEMBER 31, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	SANITATION	WATER	COMMUNITY BUILDING	TOTAL
OPERATING REVENUES				
Charges for services	\$ 137,435	\$ 319,066	\$ 11,333	\$ 467,834
OPERATING EXPENSES				
Salaries	21,270	51,828	-	73,098
Employee benefits	4,984	11,340	-	16,324
Payroll taxes	1,164	3,761	-	4,925
Utilities	19,417	13,245	5,526	38,188
Repairs and maintenance	13,367	50,639	9,918	73,924
Professional services	3,465	4,135	-	7,600
Supplies	2,840	3,312	512	6,664
Insurance	-	-	258	258
Depreciation	22,495	64,637	10,684	97,816
Miscellaneous	550	9,606	442	10,598
TOTAL OPERATING EXPENSES	89,552	212,503	27,340	329,395
OPERATING INCOME (LOSS)	47,883	106,563	(16,007)	138,439
NONOPERATING REVENUES (EXPENSE)				
Interest income	520	1,049	-	1,569
Interest expense	(6,472)	(10,329)	-	(16,801)
TOTAL NONOPERATING REVENUES (EXPENSES)	(5,952)	(9,280)	-	(15,232)
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	41,931	97,283	(16,007)	123,207
TRANSFERS	49,503	(18,411)	-	31,092
CAPITAL CONTRIBUTIONS	-	2,500	-	2,500
CHANGE IN NET POSITION	91,434	81,372	(16,007)	156,799
NET POSITION JANUARY 1	603,672	2,232,132	322,899	3,158,703
NET POSITION DECEMBER 31	\$ 695,106	\$ 2,313,504	\$ 306,892	\$ 3,315,502

SEE NOTES TO FINANCIAL STATEMENTS

## TOWN OF STRATTON, COLORADO

## PROPRIETARY FUNDS

## STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	SANITATION	WATER	COMMUNITY BUILDING	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 137,435	\$ 314,578	\$ 11,333	\$ 463,346
Cash payments for supplies, goods, services	(42,100)	(86,256)	(17,396)	(145,752)
Cash payments to employees	(27,910)	(64,223)	-	(92,133)
<b>NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>67,425</b>	<b>164,099</b>	<b>(6,063)</b>	<b>225,461</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers	(3,877)	3,488	1,506	1,117
<b>NET CHANGE IN CASH FLOWS FROM NON- CAPITAL FINANCING ACTIVITIES</b>	<b>(3,877)</b>	<b>3,488</b>	<b>1,506</b>	<b>1,117</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisitions of capital assets	(10,987)	(23,488)	-	(34,475)
Capital contributed	-	2,500	-	2,500
Principal paid on notes payable	(58,571)	(146,407)	-	(204,978)
Interest paid on debt	(5,891)	(9,290)	-	(15,181)
<b>NET CHANGE IN CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(75,449)</b>	<b>(176,685)</b>	<b>-</b>	<b>(252,134)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest income	520	1,049	-	1,569
<b>NET CHANGE IN CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>520</b>	<b>1,049</b>	<b>-</b>	<b>1,569</b>
<b>NET CHANGE IN CASH</b>	<b>(11,381)</b>	<b>(8,049)</b>	<b>(4,557)</b>	<b>(23,987)</b>
<b>CASH BEGINNING OF YEAR</b>	<b>73,341</b>	<b>620,596</b>	<b>7,882</b>	<b>701,819</b>
<b>CASH END OF YEAR</b>	<b>\$ 61,960</b>	<b>\$ 612,547</b>	<b>\$ 3,325</b>	<b>\$ 677,832</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 47,883	\$ 106,563	\$ (16,007)	\$ 138,439
Adjustment to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	22,495	64,637	10,684	97,816
Change in assets and liabilities				
(Increase) decrease in accounts receivable	-	(4,488)	-	(4,488)
Increase (decrease) in accounts payable	(2,460)	(5,318)	(740)	(8,518)
Increase (decrease) in accrued expenses	(493)	2,705	-	2,212
<b>NET CHANGE IN CASH FLOWS OPERATING ACTIVITIES</b>	<b>\$ 67,425</b>	<b>\$ 164,099</b>	<b>\$ (6,063)</b>	<b>\$ 225,461</b>

SEE NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS**

## TOWN OF STRATTON, COLORADO

### NOTES TO FINANCIAL STATEMENTS

#### NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Stratton (the "Town") conform to accounting principles generally accepted in the United States of America as applicable to governmental entities. The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

#### THE FINANCIAL REPORTING ENTITY

The Town of Stratton is a political subdivision of the State of Colorado which is governed by an elected mayor and elected 6-member board of trustees. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town of Stratton (the primary government). Currently no component units have been included in the Town's reporting entity because of a lack of significant operational or financial relationship with the Town.

#### GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

#### MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments are recorded only when payment is due.

Property taxes, franchise taxes, interest revenues, and charges for services are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Grant and entitlement awards are recorded as revenue when earned. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

*General Fund* - is the government's primary operating fund. It accounts for all financial resources of the general government, except those which are required to be accounted for in another fund.

TOWN OF STRATTON, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION  
(Continued)

The Town reports the following major proprietary funds:

*Water Proprietary Fund* - accounts for the activities of water treatment and distribution to the residents and businesses of the Town.

*Sanitation Proprietary Fund* - accounts for the activities of the wastewater collection and treatment system of the Town.

*Community Building Proprietary Fund* - accounts for the activities related to the community building.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Cash Equivalents - The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments with a maturity of three months or less when purchased.

The Town pools cash from several funds for the purpose of increasing interest income. Interest is allocated to individual funds based on the average cash of the funds.

Accounts Receivable and Allowance for Uncollectible Accounts – Accounts receivable balances are recorded on the statement of net position, net of allowance for uncollectible accounts. At December 31, 2019, the Town reported \$44,491 in the Water Proprietary Fund, \$10,794 in the General Fund and \$791 in the Lodgers Tax Special Revenue Fund for accounts receivable, net of allowance for uncollectible accounts of \$0.

The Town uses a bad debt allowances that are not limited to a specific percent of receivables but are reviewed annually to determine their adequacy. Actual bad debts are low due to continued review.

Interfund Receivables and Payables – During the course of operations, numerous transactions occur between funds for goods provided or services rendered. Outstanding balances between funds are reported as "due to/from other funds" on the balance sheet for governmental funds and on the statement of position for the proprietary funds when they are expected to be liquidated within one year.

Through the budgetary process, the Town budgets transfers between funds. The amounts are for funding purposes per the budget.

Property Taxes Receivable - All trade and property tax receivables are shown net of an allowance for uncollectibles if required.

Property taxes are not due and payable until after the assessment year has ended, and are not included in the budgets or statements of revenues, expenditures and fund balance of the assessment year. Property taxes levied are recorded in the governmental funds as taxes receivable and deferred revenues as of December 31, 2019, since the amounts are measurable but not available until 2020. Property tax abatements are recorded as an offset to property tax revenues when they are paid. An allowance for uncollectible property taxes is not provided as the uncollectible amounts were determined to be negligible based on an analysis of historical trends. Property taxes are levied before December 22 each year and attach as an enforceable lien on the property as of January 1 of the following year. Taxes are payable in full on April 30 or in two installments due on February 28 and June 15.

Notes Receivable – Notes receivable are supported by contracts, which outline the repayment of borrowed funds.

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets - Capital assets, which include property, plant, equipment, and current infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets have been capitalized on a prospective basis from 2001. The government defines capital assets as assets with an initial individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Town has not included its infrastructure at this time except for those constructed subsequent to January 1, 2001.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Building, improvements, utility systems, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Infrastructure	20-50
Improvements	20-30
Buildings	20-50
Equipment	5-20
Vehicles	7-10
Systems	50

Compensated Absences - It is the government's policy to permit employees to accumulate earned but unused vacation pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if expected to be paid from current resources.

Deferred Outflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has one item that qualifies for reporting in this category which is for pension related amounts.

Pension related amounts reported as deferred outflows of resources include the following:

Difference Between Expected and Actual Experience	\$ 8,157
Changes of Assumptions or Other Inputs	8,605
Net Difference Between Projected and Actual Investment	
Earnings on Pension Plan Investments	6,989
Changes in Proportion	3,965
Contributions Made Subsequent to the Measurement Date	<u>-</u>
Total Pension Related Deferred Outflows	<u>\$ 27,716</u>

More information on pension related items is included in Note 6.

Deferred Inflows of Resources - In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two types of items that qualify for reporting in this category.

The item, property taxes levied for subsequent years, arises only under a modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable, and are recognized as an inflow of resources in the period they are collected.

TOWN OF STRATTON, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows of Resources (Continued) - Pension related amounts reported as deferred inflows of resources include the following:

Difference Between Expected and Actual Experience	\$ 1,172
Changes of Assumptions or Other Inputs	-
Net Difference Between Projected and Actual Investment	-
Earnings on Pension Plan Investments	-
Changes in Proportion	-
Total Pension Related Deferred Inflows	\$ 1,172

More information on pension related items is included in Note 6.

Long-Term Obligations - In the government-wide financial statements and in the proprietary fund types financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position.

Fund Balances / Net Position - In the government-wide and proprietary financial statements, net position is classified in the following categories:

*Net investment in capital assets* – This amount consists of capital assets, net of accumulated depreciation, reduced by outstanding debt, if applicable, attributed to the acquisition, construction, or improvement of those assets.

*Restricted net position* – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

*Unrestricted net position* – This amount is all net position that do not meet the definition of “net investment in capital assets” or “restricted net position”

The Town implemented GASB Statement No. 54 “*Fund Balance Reporting and Governmental Fund Type Definitions*” which provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used:

*Nonspendable fund balance* – amounts that are not in spendable form (such as inventory) or required to be maintained intact;

*Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

*Committed fund balance* – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

*Assigned fund balance* – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

*Unassigned fund balance* – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. Assigned fund balance is established through the adoption or amendment of the budget as intended for specific purposes.

When both restricted and unrestricted resources are available in governmental funds, the Town applies expenditures against restricted fund balance first, followed by committed fund balance, assigned fund balance and unassigned fund balance.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWN OF STRATTON, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets - The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to October 15, the Town Finance Officer submits to the Town Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain taxpayer comments.

Prior to December 15, the budget is legally enacted through passage of an ordinance.

The budgetary presentation of the proprietary funds varies from GAAP in that expenditures for capital outlay and debt retirement are recognized for budgetary reporting.

Revisions that alter the total expenditures of any fund generally must be approved by Town Trustees. Budget amounts in the accompanying financial statements include revisions to the original appropriation ordinance.

Appropriations lapse at year end and any open purchase items must be reappropriated in the following year. Expenditures may not legally exceed appropriations at the fund level.

Excess of Expenditures over Appropriations - For the year ended December 31, 2019, expenditures exceeded appropriations in the Sanitation Proprietary Fund, Water Proprietary Fund, Community Building Proprietary Fund and Conservation Trust Special Revenue Fund.

NOTE -2 DEPOSITS AND INVESTMENTS

Deposits

The Town's investment policies are approved by the Town Trustees and governed by Colorado statute. The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determined eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of December 31, 2019, \$483,818 of the Town's bank balance of \$983,818 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

At December 31, 2019, the Town's bank balance and corresponding carrying balance were as follows:

	Carrying Balance	Bank Balance
Insured (FDIC)	\$ 500,000	\$ 500,000
Uninsured, Collateralized under the Public Deposit Protection Act	472,546	483,818
Cash on Hand	119	-
	\$ 972,665	\$ 983,818

The carrying amount is reflected in the accompanying financial statements as follows:

Governmental Activities - Cash	\$ 294,833
Business-Type Activities – Cash	677,832
	\$ 972,665

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -3 PROPERTY TAXES RECEIVABLE AND DEFERRED REVENUES

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, \$87,100 of property taxes was deemed unavailable.

NOTE -4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Transfers Increases</u>	<u>Transfers Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets not being depreciated				
Land	\$ 104,228	\$ -	\$ -	\$ 104,228
Construction in Process	<u>121,575</u>	<u>-</u>	<u>(121,575)</u>	<u>-</u>
	<u>225,803</u>	<u>-</u>	<u>(121,575)</u>	<u>104,228</u>
Capital assets being depreciated				
Infrastructure	810,469	-	-	810,469
Buildings	285,334	121,575	-	406,909
Improvements	951,293	-	-	951,293
Equipment & Vehicles	<u>332,251</u>	<u>-</u>	<u>-</u>	<u>332,251</u>
	<u>2,379,347</u>	<u>121,575</u>	<u>-</u>	<u>2,500,922</u>
Less accumulated depreciation for				
Infrastructure	(242,600)	(16,713)	-	(259,313)
Buildings	(125,459)	(8,464)	-	(133,923)
Improvements	(561,136)	(35,372)	-	(596,508)
Equipment & Vehicles	<u>(260,556)</u>	<u>(13,974)</u>	<u>-</u>	<u>(274,530)</u>
	<u>(1,189,751)</u>	<u>(74,523)</u>	<u>-</u>	<u>(1,264,274)</u>
Governmental Activities				
Net Capital Assets	<u>\$ 1,415,399</u>	<u>\$ 47,052</u>	<u>\$ (121,575)</u>	<u>\$ 1,340,876</u>
<u>Business-Type Activities:</u>				
Capital assets not being depreciated				
Land	\$ 88,377	\$ -	\$ -	\$ 88,377
Construction in Process	<u>47,417</u>	<u>23,488</u>	<u>(70,905)</u>	<u>-</u>
	<u>135,794</u>	<u>23,488</u>	<u>(70,905)</u>	<u>88,377</u>
Capital assets being depreciated				
Site Improvements	28,358	-	-	28,358
Buildings	440,891	70,905	-	511,796
Equipment & Vehicles	98,607	10,988	-	109,595
System	<u>4,334,763</u>	<u>-</u>	<u>-</u>	<u>4,334,763</u>
	<u>4,902,619</u>	<u>81,893</u>	<u>-</u>	<u>4,984,512</u>
Less accumulated depreciation for				
Site Improvements	(16,964)	(1,417)	-	(18,381)
Buildings	(139,431)	(10,117)	-	(149,548)
Equipment & Vehicles	(87,257)	(1,826)	-	(89,083)
System	<u>(833,841)</u>	<u>(84,456)</u>	<u>-</u>	<u>(918,297)</u>
	<u>(1,077,493)</u>	<u>(97,816)</u>	<u>-</u>	<u>(1,175,309)</u>
Business-type Activities				
Net Capital Assets	<u>\$ 3,960,920</u>	<u>\$ 7,565</u>	<u>\$ (70,905)</u>	<u>\$ 3,897,580</u>

TOWN OF STRATTON, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -4 CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Governmental Activities:

General government	\$ 155
Cultural & recreation	47,422
Public safety	2,175
Public works	<u>24,771</u>
Total depreciation expense – governmental activities	<u>\$ 74,523</u>

Business-Type Activities:

Sanitation Proprietary Fund	\$ 22,495
Water Proprietary Fund	64,637
Community Building Proprietary Fund	<u>10,684</u>
Total depreciation expense – business-type activities	<u>\$ 97,816</u>

NOTE -5 LONG-TERM DEBT

The following is a summary of long-term obligation transactions of the Town for the year ended December 31, 2019:

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>	<u>CURRENT PORTION</u>
<u>Business-Type Activities:</u>					
Loan Payable 1 - Water	\$ 34,180	\$ -	\$ (34,180)	\$ -	\$ -
Loan Payable 2 - Water	347,298	-	(14,904)	332,394	15,185
Loan Payable 3 - Water	66,689	-	(66,689)	-	-
Loan Payable 4 - Water	781,149	-	(30,633)	750,516	30,633
Loan Payable 1 - Sewer	35,682	-	(35,682)	-	-
Loan Payable 2 - Sewer	<u>208,873</u>	<u>-</u>	<u>(22,889)</u>	<u>185,984</u>	<u>23,320</u>
Totals	<u>\$1,473,871</u>	<u>\$ -</u>	<u>\$ (204,977)</u>	<u>\$1,268,894</u>	<u>\$ 69,138</u>

Annual debt service requirements to maturity are as follow for Business-Type Activities:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 69,138	\$ 9,540	\$ 78,678
2021	69,863	8,815	78,678
2022	70,602	8,076	78,678
2023	71,355	7,323	78,678
2024	72,122	6,556	78,678
2025-2029	304,626	22,019	326,645
2030-2034	248,182	11,717	259,899
2035-2039	225,155	2,725	227,880
2040-2044	<u>137,851</u>	<u>-</u>	<u>137,851</u>
	<u>\$1,268,894</u>	<u>\$ 76,771</u>	<u>\$1,345,665</u>

Loan Payable 1 - Water: The Town entered into a Loan Agreement with TBK Bank on October 6, 2006, in the amount of \$135,000 to help finance the acquisition of a water well. The loan is payable in 15 annual principal and interest installments of \$13,009 at 5.00% per annum. Note is secured by net revenues. The full outstanding balance was paid, plus interest, in the current fiscal year.

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -5 LONG-TERM DEBT (Continued)

Loan Payable 2 - Water: The Town entered into a loan agreement with Colorado Water Resources and Power Development Authority on December 20, 2007 in the amount of \$483,000. The loan proceeds were used to finance construction of water system improvements. The loan carries an interest rate of 1.875%. The loan is payable in semi-annual installments of \$10,673 beginning November 1, 2008 and maturing May 1, 2038. The loan is payable from the revenues generated from the system.

Annual requirements of the loan as of December 31, 2019 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 15,185	\$ 6,161	\$ 21,346
2021	15,471	5,875	21,346
2022	15,762	5,584	21,346
2023	16,059	5,287	21,346
2024	16,362	4,984	21,346
2025-2029	86,551	20,179	106,730
2030-2034	95,016	11,714	106,730
2035-2038	<u>71,988</u>	<u>2,725</u>	<u>74,713</u>
	<u>\$ 332,394</u>	<u>\$ 62,509</u>	<u>\$ 394,903</u>

Loan Payable 3 - Water: The Town entered into a loan agreement with Colorado Water Resources and Power Development Authority on December 3, 2008 in the amount of \$90,000. The loan proceeds were used to finance construction of water system improvements. The loan carries an interest rate of 1.75%. The loan is payable in semi-annual installments of \$1,943 beginning November 1, 2009 and maturing May 1, 2039. The full outstanding balance was paid, plus interest, in the current fiscal year.

Loan Payable 4 - Water: The Town entered into a loan agreement with Colorado Water Resources and Power Development Authority on August 30, 2013 in the amount of \$919,000. The loan proceeds were used to finance construction of water system improvements. The loan carries an interest rate of 0.00%. The loan is payable in semi-annual installments of \$15,317 beginning November 1, 2014 and maturing May 1, 2044. The loan is payable from the revenues generated from the system.

Annual requirements of the loan as of December 31, 2019 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 30,633	\$ -	\$ 30,633
2021	30,633	-	30,633
2022	30,633	-	30,633
2023	30,633	-	30,633
2024	30,633	-	30,633
2025-2029	153,170	-	153,170
2030-2034	153,170	-	153,170
2035-2039	153,170	-	153,170
2040-2044	<u>137,841</u>	<u>-</u>	<u>137,841</u>
	<u>\$ 750,516</u>	<u>\$ -</u>	<u>\$ 750,516</u>

Loan Payable 1 - Sewer: The Town entered into a loan agreement with Department of Local Affairs on April 17, 2008 in the amount of \$65,000. The loan proceeds were used to finance construction of sanitation system improvements. The loan carries an interest rate of 5.00%. The loan is payable in annual installments of \$5,020 beginning November 1, 2009 and maturing September 1, 2027. The full outstanding balance was paid, plus interest, in the current fiscal year.

Loan Payable 2 - Sewer: The Town entered into a loan agreement with Colorado Water Resources and Power Development Authority on November 20, 2006 in the amount of \$442,000. The loan proceeds were used for improvements to the lagoon system. The loan carries an interest rate of 1.875%. The loan is payable in semi-annual installments of \$13,349 beginning November 1, 2007 and maturing May 1, 2027. The loan is payable from the revenues generated from the system.

TOWN OF STRATTON, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -5 LONG-TERM DEBT (Continued)

Loan Payable 2 – Sewer (Continued):

Annual requirements of the loan as of December 31, 2019 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 23,320	\$ 3,378	\$ 26,698
2021	23,759	2,939	26,698
2022	24,207	2,491	26,698
2023	24,663	2,035	26,698
2024	25,127	1,571	26,698
2025-2027	<u>64,908</u>	<u>1,837</u>	<u>66,745</u>
	<u>\$ 185,984</u>	<u>\$ 14,251</u>	<u>\$ 200,235</u>

In connection with the above notes payable, the Town is subject to various covenants and is required to maintain an operation and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation. As of December 31, 2019, the Town was in compliance with all covenants and maintained the required reserve of \$27,300 in the Sanitation Proprietary Fund and \$37,000 in the Water Proprietary Fund.

NOTE -6 PENSION PLAN

FIRE & POLICE – STATEWIDE DEFINED BENEFIT PLAN

Plan Description:

The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple – employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980.

The Plan assets are included in the Fire & Police Member’s Benefit Investment Fund and the Fire & Police Member’s Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members).

Employers once had the option to elect to withdraw from the SWDB plan, but a change in state statutes permitted no further withdrawals after January 1, 1988.

Colorado Revised Statutes, Title 31, Article 31 grants the authority to establish and amend the benefit terms to the Fire & Police Pension Association of Colorado Board of Directors. FPPA issues a publicly available financial report that can be obtained at [www.fppaco.org](http://www.fppaco.org).

Benefits Provided:

A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the SWDB Plan. Benefits paid to retired members are evaluated and may be redetermined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution.

TOWN OF STRATTON, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -6 PENSION PLAN (Continued)

Benefits Provided (Continued):

Alternatively, a member with at least five years of accredited service may leave contributions with the SWDB plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

A member may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement at age 55. A member can continue to work while participating in the DROP, but must terminate employment within 5 years of entry into DROP. The member's participating percentage of retirement benefit is determined at the time of entry into the DROP. The monthly payments that begin at the entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Effective January 1, 2003, the member shall self-direct investments of their DROP funds. This amount was not included in the SWDB Plan net position.

Contributions:

The SWDB plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 10 percent and 8 percent, respectively, of base salary for a total contribution rate of 18 percent in 2018. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 22 percent of base salary in 2018. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the reentry group also had their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 5 percent and 4 percent, respectively, of base salary for a total contribution rate of 8 percent in 2018. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

The member contribution rate as of December 31, 2019 for members hired prior to April 1, 2009 was 12.00% and the Town's contribution rate was 10.00%. For members hired after April 1, 2009 the member contribution rate as of December 31, 2019 was 10.50% and the Town's contribution rate was 8.00%. Contributions to the SWDB plan from the Town were \$0 for the year ended December 31, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At December 31, 2019, the Town reported a liability of \$8,884 for its proportionate share of the SWDB net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was based upon the January 1, 2018 actuarial valuation. The Town's proportion of the net pension asset was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined at January 1, 2018. At December 31, 2018, the Town's proportion was 0.0070 percent, which was a decrease of 0.00002 from its proportion measured as of December 31, 2017.

TOWN OF STRATTON, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -6 PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued):

For the year ended December 31, 2019, the Town recognized pension expense of \$5,711. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 8,157	\$ 1,172
Changes in Assumptions	8,605	-
Net difference between projected and actual earnings on pension plan investments	6,989	-
Changes in proportion	3,965	-
Contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$ 27,716</b>	<b>\$ 1,172</b>

The \$0 reported as deferred outflows of resources related to pensions resulting from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>Year ended December 31,</i>	<i>Amortization</i>
2020	\$ 2,761
2021	2,761
2022	2,761
2023	2,761
2024	2,761
2025-2029	12,739
<b>Total</b>	<b>\$ 26,544</b>

Actuarial Assumptions:

The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2018. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2019	January 1, 2018
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return *	7.00%	7.50%
Projected Salary Increases *	4.25% - 11.25%	4.00% - 14.00%
Cost of Living Adjustment COLA	0.00%	0.00%
* Includes Inflation at	2.50%	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

TOWN OF STRATTON, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -6 PENSION PLAN (Continued)

Actuarial Assumptions (Continued):

At least every five years the FPPA's Board of Directors in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019 and were used in the rollforward calculation of total pension liability as of December 31, 2018. Actuarial assumptions effective for actuarial valuations prior to January 1, 2019 were used in the determination of the actuarially determined contributions as of December 31, 2018. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are summarized in the following table:

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
Global Equity	37%	8.03%
Equity Long/Short	9%	6.45%
Private Markets	24%	10.00%
Fixed Income	15%	2.90%
Absolute Return	9%	5.08%
Managed Futures	4%	5.35%
Cash	2%	2.52%
Total	100%	

Discount Rate:

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the FPPA's Board of Director's funding policy, which established the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate:

The following presents the Town's proportionate share of the net pension liability, calculated using a discount rate of 7.00%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Net Pension Liability (Asset)	\$ 34,454	\$ 8,884	\$ (12,325)

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial report available online at [www.fppaco.org](http://www.fppaco.org) or by contacting the Fire and Police Pension Association, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111-2721 or telephone (303) 770-3772.

TOWN OF STRATTON, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -7 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Receivables and Payables:

During the course of operations, numerous transactions occur between the Town's funds for the reimbursement of expenditures or to move special revenues collected in one fund to the special revenue fund (Conservation Trust Fund). Related interfund receivables and payables are classified as "due from other funds" and "due to other funds" on the balance sheet and statement of net position and will be settled within a reasonable time period.

The composition of due to / from other funds as of December 31, 2019 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water	\$ 23,488
General	Community Building	<u>2,900</u>
		<u>\$ 26,388</u>
 Conservation Trust	 General	 <u>\$ 4,183</u>

Interfund Transfers:

Transfers are for the use of unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with the Board of Trustee authorizations.

The composition of interfund transfers as of December 31, 2019 is as follows:

	<u>Transfers (Out)</u>	<u>Transfers In</u>	<u>Total</u>
General Fund	\$ (36,211)	\$ 5,119	\$ (31,092)
Non-Major Funds	-	-	-
Sanitation Proprietary Fund	-	49,503	49,503
Water Proprietary Fund	<u>(18,411)</u>	<u>-</u>	<u>(18,411)</u>
Total	<u>\$ (54,622)</u>	<u>\$ 54,622</u>	<u>\$ -</u>

NOTE -8 NET POSITION

Restricted net position represents net position whose users are subject to constraints that are either 1.) legally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments, or 2.) imposed by law through constitutional provisions or enabling legislation. Restricted net position at December 31, 2019 is as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Operations and Maintenance	\$ -	\$ 64,300	\$ 64,300
Parks and Recreation	35,664	-	35,664
Emergencies - TABOR	<u>11,900</u>	<u>-</u>	<u>11,900</u>
	<u>\$ 47,564</u>	<u>\$ 64,300</u>	<u>\$ 111,864</u>

*Restricted for Operations and Maintenance* – The Town is required to maintain an operation and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation as set forth by the creditor.

*Restricted for Parks and Recreation (Conservation Trust)* – This represents money received from the State of Colorado for parks and open space related projects.

*Restricted for Emergencies - TABOR* – This represents approximately 3% of the Town's 2019 fiscal year spending as that term is defined in the Colorado constitution. Under these provisions of the constitution, this portion of the Town's net position can be used for declared emergencies only and the Town must maintain 3% or more of its spending in this restricted account. The Town does not believe this restriction meets the definition of a stabilization arrangement under generally accepted accounting principles.

TOWN OF STRATTON, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -9 FUND BALANCES

At December 31, 2019, fund balances for governmental funds consist of the following:

	Restricted Fund Balance			Total
	Emergencies TABOR	Future Expenditures	Parks & Recreation	
General Fund	\$ 11,900	\$ -	\$ -	\$ 11,900
Conservation Trust Fund	-	-	35,664	35,664
Total	\$ 11,900	\$ -	\$ 35,664	\$ 47,564

	Assigned Fund Balance		
	Community and Economic Development	Future Expenditures	Total
Lodgers Tax Fund	\$ 6,338	\$ -	\$ 6,338

NOTE -10 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of; damage to; and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in a public entity risk pool to meet its insurance needs for workers' compensation. The Town utilizes the Colorado Intergovernmental Risk Agency (CIRSA), a public entity risk pool currently operating as a common risk management and insurance program for over 100 Colorado governmental entities. The Town pays an annual premium to CIRSA for its workers compensation coverage.

It is the intent of the members of CIRSA to create a self-sustaining entity through member premiums and reinsurance through commercial companies for workers' compensation claims in excess of \$400,000 up to \$1 million for each insured event. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE -11 TAX SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The Town's management believes a significant portion of its operations qualify for this exclusion.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. Emergency reserves have been provided for as required by Article X, Section 20 of the constitution of the State of Colorado. Per TABOR, \$11,900 of the fund balance has been reserved in compliance with this requirement.

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -11 TAX SPENDING AND DEBT LIMITATIONS (Continued)

The Town's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualifications as an enterprise will require judicial interpretation. Accordingly, the possibility exists that the Town's interpretation of certain TABOR provisions may subsequently be determined to be incorrect. This could result in a potential refund of revenue unless voters approve retention of such revenue. The ultimate outcome of these matters cannot presently be determined and no provision for any liability for a refund of revenue has been made in the financial statements.

Voters of the Town passed a referendum at an election held November, 1997, permitting the Town to collect, retain, and expend the full proceeds of the Town's property taxes, non-federal grants, and all other rates, fees, tolls and charges for capital projects and municipal services, for the year 1997 and each subsequent year, notwithstanding any state restriction on fiscal year spending including, without limitation, the restrictions of Article X, Section 20, of the Colorado Constitution.

NOTE -12 NEW ACCOUNTING PRONOUNCEMENTS

In March 2018, the Governmental Accounting Standards Board ("GASB") issued Statement No.88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The GASB is issuing this Statement to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

In May 2020, the Governmental Accounting Standards Board ("GASB") issued Statement No.95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The Statement has postponed the effective date of GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, 12 months from years beginning after June 15, 2018 to years beginning after June 15, 2019.

NOTE -13 SUBSEQUENT EVENTS

The Town evaluated its December 31, 2019 financial statements for subsequent events through the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact tax revenues and charges for services. Other financial impact could occur though such potential impact is unknown at this time.

**REQUIRED SUPPLEMENTARY INFORMATION**

TOWN OF STRATTON COLORADO

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

STATEWIDE DEFINED BENEFIT PLAN

LAST 10 FISCAL YEARS\*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town's proportion of the net pension liability (asset)	0.0070%	0.0090%	0.0094%	0.0087%	0.0091%	0.0093%
Town's proportionate share of the net pension liability (asset)	\$ 8,884	\$(12,946)	\$ 3,396	\$ (154)	\$(10,305)	\$ (8,288)
Town's covered payroll	\$ 49,961	\$ 52,640	\$ 50,534	\$ 42,534	\$ 41,096	\$ 40,290
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	17.78%	-24.59%	6.72%	-0.36%	-25.08%	-20.57%
Plan fiduciary net position as a percentage of the total pension liability (asset)	95.20%	106.30%	98.21%	100.10%	106.80%	105.80%

\* Information above is presented as of the measurement date (December 31 of the previous fiscal year.)

Note: Information presented since inception of GASB 68. As information becomes available, each subsequent year will be added until a full 10-year trend is compiled.

See the accompanying Independent Auditors' Report.

TOWN OF STRATTON COLORADO  
SCHEDULE OF TOWN'S CONTRIBUTIONS  
STATEWIDE DEFINED BENEFIT PLAN  
LAST 10 FISCAL YEARS\*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily required contribution	\$ -	\$ 4,336	\$ 4,211	\$ 4,700	\$ 3,956	\$ 3,822
Contributions in relation to the statutorily required contribution	<u>-</u>	<u>(4,336)</u>	<u>(4,211)</u>	<u>(4,700)</u>	<u>(3,956)</u>	<u>(3,822)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ -	\$ 49,961	\$ 52,640	\$ 50,534	\$ 42,534	\$ 41,096
Contributions as a percentage of covered payroll	0.00%	8.68%	8.00%	9.30%	9.30%	9.30%

\* Information above is presented as of the Town's fiscal year-end.

Note: Information presented since inception of GASB 68. As information becomes available, each subsequent year will be added until a full 10-year trend is compiled.

See the accompanying Independent Auditors' Report.

TOWN OF STRATTON, COLORADO

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2019

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes	\$ 245,500	\$ 245,500	\$ 281,492	\$ 35,992
Licenses and permits	1,400	1,400	845	(555)
Intergovernmental	45,000	45,000	39,064	(5,936)
Charges for services	25,460	25,460	34,168	8,708
Courts and fines	700	700	705	5
Other	2,620	2,620	10,740	8,120
TOTAL REVENUES	320,680	320,680	367,014	46,334
EXPENDITURES				
General government	127,502	127,502	109,131	18,371
Public safety	73,967	73,967	11,013	62,954
Public works	193,900	193,900	184,902	8,998
Health and welfare	3,250	3,250	3,745	(495)
Culture and recreation	111,456	111,456	84,831	26,625
Capital outlay	75,000	75,000	-	75,000
TOTAL EXPENDITURES	585,075	585,075	393,622	191,453
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(264,395)	(264,395)	(26,608)	237,787
OTHER FINANCING SOURCES				
TRANSFERS IN	102,000	102,000	5,119	(96,881)
TRANSFERS OUT	-	-	(36,211)	(36,211)
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(162,395)	(162,395)	(57,700)	104,695
FUND BALANCE JANUARY 1	361,822	361,822	361,822	-
FUND BALANCE DECEMBER 31	\$ 199,427	\$ 199,427	\$ 304,122	\$ 104,695

**OTHER SUPPLEMENTARY INFORMATION**

## MAJOR GOVERNMENTAL FUNDS

### MAJOR GOVERNMENTAL FUNDS

*General Fund* – The general fund is the general operating fund of the Town; used to account for all resources that are not legally or by sound financial management to be accounted for in another fund.

TOWN OF STRATTON, COLORADO

GENERAL FUND

BALANCE SHEET

DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 257,805	\$ 308,857
Receivables		
Accounts	10,794	10,571
Taxes	87,100	85,200
Notes	5,822	8,583
Intergovernmental	30,326	18,408
Due from other funds	<u>26,388</u>	<u>61,804</u>
 TOTAL ASSETS	 <u>\$ 418,235</u>	 <u>\$ 493,423</u>
LIABILITIES		
Accounts payable	\$ 1,547	\$ 10,793
Accrued expenses	21,283	28,706
Due to other funds	<u>4,183</u>	<u>6,902</u>
 TOTAL LIABILITIES	 <u>27,013</u>	 <u>46,401</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue - property taxes	<u>87,100</u>	<u>85,200</u>
FUND BALANCE		
Restricted for emergencies - TABOR	11,900	10,608
Unassigned	<u>292,222</u>	<u>351,214</u>
 TOTAL FUND BALANCE	 <u>304,122</u>	 <u>361,822</u>
 TOTAL LIABILITIES DEFERRED INFLOWS AND FUND BALANCE	 <u>\$ 418,235</u>	 <u>\$ 493,423</u>

TOWN OF STRATTON, COLORADO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
REVENUES		
Taxes	\$ 281,492	\$ 224,614
Licenses and permits	845	893
Intergovernmental	39,064	55,057
Charges for services	34,168	26,898
Court and fines	705	533
Grants	-	17,262
Other	10,740	45,604
	<u>367,014</u>	<u>370,861</u>
TOTAL REVENUES		
EXPENDITURES		
General government	109,131	124,226
Public safety	11,013	89,079
Public works	184,902	157,130
Health and welfare	3,745	1,275
Culture and recreation	84,831	101,122
	<u>393,622</u>	<u>472,832</u>
TOTAL EXPENDITURES		
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(26,608)	(101,971)
OTHER FINANCING SOURCES		
TRANSFERS IN	5,119	-
TRANSFERS OUT	(36,211)	-
	<u>(31,092)</u>	<u>(101,971)</u>
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(57,700)	(101,971)
FUND BALANCE JANUARY 1	<u>361,822</u>	<u>463,793</u>
FUND BALANCE DECEMBER 31	<u>\$ 304,122</u>	<u>\$ 361,822</u>

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

*Lodgers Tax Special Revenue Fund* – This fund is used for the collection and disbursement of lodging tax revenues to be used for the promotion and advertising of the Town.

*Conservation Trust Special Revenue Fund* – This fund is used to account for the collection and disbursement of revenues received from the Colorado state lottery and are restricted for parks and open space related projects.

TOWN OF STRATTON, COLORADO  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2019

	<u>SPECIAL REVENUE FUNDS</u>		<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
	<u>CONSERVATION TRUST</u>	<u>LODGERS TAX</u>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 31,481	\$ 5,547	\$ 37,028
Accounts receivable	-	791	791
Due from other funds	4,183	-	4,183
<b>TOTAL ASSETS</b>	<u>\$ 35,664</u>	<u>\$ 6,338</u>	<u>\$ 42,002</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>			
Restricted for:			
Parks and recreation	35,664	-	35,664
Assigned for:			
Community and economic development	-	6,338	6,338
<b>TOTAL FUND BALANCE</b>	<u>35,664</u>	<u>6,338</u>	<u>42,002</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 35,664</u>	<u>\$ 6,338</u>	<u>\$ 42,002</u>

TOWN OF STRATTON, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCE

YEAR ENDED DECEMBER 31, 2019

	<u>SPECIAL REVENUE FUNDS</u>		<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
	<u>CONSERVATION TRUST</u>	<u>LODGERS TAX</u>	
REVENUES			
Taxes	\$ -	\$ 14,258	\$ 14,258
Intergovernmental	2,400	-	2,400
Interest Income	63	4	67
	<u>2,463</u>	<u>14,262</u>	<u>16,725</u>
TOTAL REVENUES			
EXPENDITURES			
General governmental	12	-	12
Economic development	-	9,640	9,640
	<u>12</u>	<u>9,640</u>	<u>9,652</u>
TOTAL EXPENDITURES			
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	2,451	4,622	7,073
OTHER FINANCING SOURCES (USES)			
Transfers	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	2,451	4,622	7,073
FUND BALANCE JANUARY 1	<u>33,213</u>	<u>1,716</u>	<u>34,929</u>
FUND BALANCE DECEMBER 31	<u>\$ 35,664</u>	<u>\$ 6,338</u>	<u>\$ 42,002</u>

TOWN OF STRATTON, COLORADO

BALANCE SHEET

CONSERVATION TRUST SPECIAL REVENUE FUND

DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 31,481	\$ 31,430
Due from other funds	<u>4,183</u>	<u>1,783</u>
TOTAL ASSETS	<u>\$ 35,664</u>	<u>\$ 33,213</u>
LIABILITIES	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE		
Restricted for:		
Parks and recreation	<u>35,664</u>	<u>33,213</u>
TOTAL FUND BALANCE	<u>35,664</u>	<u>33,213</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 35,664</u>	<u>\$ 33,213</u>

TOWN OF STRATTON, COLORADO

CONSERVATION TRUST SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019		VARIANCE	2018
	ACTUAL	BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
Intergovernmental	\$ 2,400	\$ 6,200	\$ (3,800)	\$ 6,581
Interest income	63	45	18	45
TOTAL REVENUES	<u>2,463</u>	<u>6,245</u>	<u>(3,782)</u>	<u>6,626</u>
EXPENDITURES				
Recreation	-	-	-	-
Miscellaneous	12	-	(12)	6
TOTAL REVENUES	<u>12</u>	<u>-</u>	<u>(12)</u>	<u>6</u>
REVENUES OVER EXPENDITURES	2,451	6,245	(3,794)	6,620
FUND BALANCE JANUARY 1	<u>33,213</u>	<u>33,213</u>	<u>-</u>	<u>26,593</u>
FUND BALANCE DECEMBER 31	<u>\$ 35,664</u>	<u>\$ 39,458</u>	<u>\$ (3,794)</u>	<u>\$ 33,213</u>

TOWN OF STRATTON, COLORADO

BALANCE SHEET

LODGERS TAX SPECIAL REVENUE FUND

DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 5,547	\$ 4,780
Accounts Receivable	791	1,078
	<u>6,338</u>	<u>5,858</u>
TOTAL ASSETS	<u>\$ 6,338</u>	<u>\$ 5,858</u>
LIABILITIES		
Accounts payable	\$ -	\$ 3,820
Due to other funds	-	322
	<u>-</u>	<u>4,142</u>
TOTAL LIABILITIES	<u>-</u>	<u>4,142</u>
FUND BALANCE		
Assigned for:		
Community and economic development	<u>6,338</u>	<u>1,716</u>
TOTAL FUND BALANCE	<u>6,338</u>	<u>1,716</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 6,338</u>	<u>\$ 5,858</u>

TOWN OF STRATTON, COLORADO

LODGERS TAX SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019		VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
	ACTUAL	BUDGET		
REVENUES				
Taxes	\$ 14,258	\$ 13,000	\$ 1,258	\$ 14,269
Interest income	4	5	(1)	2
TOTAL REVENUES	<u>14,262</u>	<u>13,005</u>	<u>1,257</u>	<u>14,271</u>
EXPENDITURES				
Billboards	9,640	10,000	360	13,552
Other	-	120	120	91
TOTAL EXPENDITURES	<u>9,640</u>	<u>10,120</u>	<u>480</u>	<u>13,643</u>
REVENUES OVER EXPENDITURES	4,622	2,885	1,737	628
FUND BALANCE JANUARY 1	<u>1,716</u>	<u>1,716</u>	-	<u>1,088</u>
FUND BALANCE DECEMBER 31	<u>\$ 6,338</u>	<u>\$ 4,601</u>	<u>\$ 1,737</u>	<u>\$ 1,716</u>

## PROPRIETARY FUNDS

### ENTERPRISE FUNDS

*Water Proprietary Fund* - Accounts for the operations of the Town's water utility. Activities of the fund include administration, operation and maintenance, treatment, and distribution of the water system, along with accumulation of resources for the payment of principal and interest on long-term debt.

*Sanitation Proprietary Fund* - Accounts for the operations of the Town's sewer utility. Activities of the fund include administration, operation and maintenance, treatment, and collection of the waste water system, along with accumulation of resources for the payment of principal and interest on long-term debt.

*Community Building Proprietary Fund* - This fund is used to account for the collection and disbursement of specified rent revenues related to the use of the community building for economic and community development.

TOWN OF STRATTON, COLORADO

SANITATION PROPRIETARY FUND

BALANCE SHEET

DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 61,960	\$ 73,341
Due from other funds	-	7,030
	<hr/>	<hr/>
<b>TOTAL CURRENT ASSETS</b>	61,960	80,371
<b>NET PROPERTY AND EQUIPMENT</b>	<hr/>	<hr/>
	820,487	831,995
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<u>\$ 882,447</u>	<u>\$ 912,366</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ -	\$ 2,460
Accrued expenses	1,357	1,269
Due to other funds	-	60,410
Loans payable - current maturities	23,320	26,125
	<hr/>	<hr/>
<b>TOTAL CURRENT LIABILITIES</b>	24,677	90,264
<b>NONCURRENT LIABILITIES</b>		
Loans payable - net of current maturities	<hr/>	<hr/>
	162,664	218,430
	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	187,341	308,694
<b>NET POSITION</b>		
Net investment in capital assets	634,503	587,440
Restricted for:		
Operations and maintenance	27,300	31,000
Unrestricted	<hr/>	<hr/>
	33,303	(14,768)
	<hr/>	<hr/>
<b>TOTAL NET POSITION</b>	695,106	603,672
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 882,447</u>	<u>\$ 912,366</u>

## TOWN OF STRATTON, COLORADO

## SANITATION PROPRIETARY FUND

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Charges for services	\$ 137,435	\$ 134,055
OPERATING EXPENSES		
Salaries	21,270	48,738
Employee benefits	4,984	11,884
Payroll Taxes	1,164	6,393
Utilities	19,417	19,131
Repairs and maintenance	13,367	19,468
Professional services	3,465	2,228
Supplies	2,840	5,576
Depreciation	22,495	22,101
Miscellaneous	550	9,329
TOTAL OPERATING EXPENSES	<u>89,552</u>	<u>144,848</u>
OPERATING INCOME (LOSS)	<u>47,883</u>	<u>(10,793)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest income	520	614
Interest expense	(6,472)	(6,156)
Other	-	302
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(5,952)</u>	<u>(5,240)</u>
INCOME (LOSS) BEFORE TRANSFERS	41,931	(16,033)
TRANSFER IN	<u>49,503</u>	<u>-</u>
CHANGE IN NET POSITION	91,434	(16,033)
NET POSITION JANUARY 1	<u>603,672</u>	<u>619,705</u>
NET POSITION DECEMBER 31	<u>\$ 695,106</u>	<u>\$ 603,672</u>

## TOWN OF STRATTON, COLORADO

## SANITATION PROPRIETARY FUND

## STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 137,435	\$ 134,055
Cash payments for supplies, goods, services	(42,100)	(31,903)
Cash payments to employees	(27,910)	(67,238)
<b>NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>67,425</b>	<b>34,914</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Transfers in	56,533	-
Transfers out	(60,410)	-
<b>NET CHANGE IN CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	<b>(3,877)</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets	(10,987)	-
Principal paid on loan	(58,571)	(25,547)
Interest on debt	(5,891)	(6,156)
<b>NET CHANGE IN CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(75,449)</b>	<b>(31,703)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on savings and other	520	915
<b>NET CHANGE IN CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>520</b>	<b>915</b>
<b>NET CHANGE IN CASH</b>	<b>(11,381)</b>	<b>4,126</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>73,341</b>	<b>69,215</b>
<b>CASH - END OF YEAR</b>	<b>\$ 61,960</b>	<b>\$ 73,341</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 47,883	\$ (10,793)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation and amortization	22,495	22,101
Change in assets and liabilities		
Increase (decrease) in accounts payable	(2,460)	(454)
Increase (decrease) in due to/from other funds	-	24,283
Increase (decrease) in accrued expenses	(493)	(223)
<b>NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$ 67,425</b>	<b>\$ 34,914</b>

## TOWN OF STRATTON, COLORADO

## WATER PROPRIETARY FUND

## BALANCE SHEET

DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 612,547	\$ 620,596
Accounts receivable	44,491	40,003
Due from other funds	-	5,119
	<u>657,038</u>	<u>665,718</u>
<b>TOTAL CURRENT ASSETS</b>	<u>657,038</u>	<u>665,718</u>
<b>NET PROPERTY AND EQUIPMENT</b>	<u>2,770,571</u>	<u>2,811,720</u>
	<u>\$ 3,427,609</u>	<u>\$ 3,477,438</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ -	\$ 5,318
Accrued expenses	5,014	1,269
Customer deposits	2,693	2,693
Due to other funds	23,488	6,708
Loans payable - current maturities	45,818	59,570
	<u>77,013</u>	<u>75,558</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>77,013</u>	<u>75,558</u>
<b>NONCURRENT LIABILITIES</b>		
Loans payable - net of current maturities	<u>1,037,092</u>	<u>1,169,748</u>
	<u>1,114,105</u>	<u>1,245,306</u>
<b>TOTAL LIABILITIES</b>	<u>1,114,105</u>	<u>1,245,306</u>
<b>NET POSITION</b>		
Net investment in capital assets	1,687,661	1,582,402
Restricted for:		
Operations and maintenance	37,000	37,000
Unrestricted	588,843	612,730
	<u>2,313,504</u>	<u>2,232,132</u>
<b>TOTAL NET POSITION</b>	<u>2,313,504</u>	<u>2,232,132</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 3,427,609</u>	<u>\$ 3,477,438</u>

## TOWN OF STRATTON, COLORADO

## WATER PROPRIETARY FUND

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Charges for services	<u>\$ 319,066</u>	<u>\$ 307,782</u>
OPERATING EXPENSES		
Salaries	51,828	48,738
Employee benefits	11,340	13,540
Payroll taxes	3,761	4,736
Utilities	13,245	13,729
Repairs and maintenance	50,639	44,193
Professional services	4,135	5,366
Supplies	3,312	1,473
Insurance	-	7,047
Depreciation	64,637	63,523
Miscellaneous	<u>9,606</u>	<u>6,933</u>
TOTAL OPERATING EXPENSES	<u>212,503</u>	<u>209,278</u>
OPERATING INCOME	<u>106,563</u>	<u>98,504</u>
NONOPERATING REVENUES (EXPENSES)		
Interest income	1,049	726
Interest expense	<u>(10,329)</u>	<u>(10,166)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(9,280)</u>	<u>(9,440)</u>
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	97,283	89,064
TRANSFER OUT	(18,411)	-
CAPITAL CONTRIBUTION	<u>2,500</u>	<u>-</u>
CHANGE IN NET POSITION	81,372	89,064
NET POSITION JANUARY 1	<u>2,232,132</u>	<u>2,143,068</u>
NET POSITION DECEMBER 31	<u>\$ 2,313,504</u>	<u>\$ 2,232,132</u>

TOWN OF STRATTON, COLORADO

WATER PROPRIETARY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 314,578	\$ 305,930
Cash payments for supplies, goods, services	(86,256)	(78,177)
Cash payments to employees	(64,223)	(67,238)
<b>NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>164,099</u>	<u>160,515</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Transfers in	5,119	-
Transfers out	(1,631)	-
<b>NET CHANGE IN CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	<u>3,488</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets	(23,488)	(30,440)
Capital contributed	2,500	-
Principal paid on loan	(146,407)	(58,709)
Interest on debt	(9,290)	(10,166)
<b>NET CHANGE IN CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(176,685)</u>	<u>(99,315)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on savings	1,049	726
<b>NET CHANGE IN CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>1,049</u>	<u>726</u>
<b>NET CHANGE IN CASH</b>	(8,049)	61,926
<b>CASH - BEGINNING OF YEAR</b>	<u>620,596</u>	<u>558,670</u>
<b>CASH - END OF YEAR</b>	<u><u>\$ 612,547</u></u>	<u><u>\$ 620,596</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 106,563	\$ 98,504
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	64,637	63,523
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(4,488)	(1,850)
Increase (decrease) in accounts payable	(5,318)	561
Increase (decrease) in accrued expenses	2,705	(223)
<b>NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u><u>\$ 164,099</u></u>	<u><u>\$ 160,515</u></u>

TOWN OF STRATTON, COLORADO  
COMMUNITY BUILDING PROPRIETARY FUND  
BALANCE SHEET  
DECEMBER 31, 2019 AND 2018

	2019	2018
CURRENT ASSETS		
Cash	\$ 3,325	\$ 7,882
TOTAL CURRENT ASSETS	3,325	7,882
NET PROPERTY AND EQUIPMENT	306,522	317,207
TOTAL ASSETS	\$ 309,847	\$ 325,089
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 741
Customer deposits	55	55
Due to other funds	2,900	1,394
TOTAL CURRENT LIABILITIES	2,955	2,190
NET POSITION		
Net investment in capital assets	306,522	317,207
Unrestricted	370	5,692
TOTAL NET POSITION	306,892	322,899
TOTAL LIABILITIES AND NET POSITION	\$ 309,847	\$ 325,089

TOWN OF STRATTON, COLORADO

COMMUNITY BUILDING PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Charges for services	<u>\$ 11,333</u>	<u>\$ 10,499</u>
OPERATING EXPENSES		
Utilities	5,526	5,791
Repairs and maintenance	9,918	12,698
Supplies	512	440
Insurance	258	171
Depreciation	10,684	10,388
Miscellaneous	<u>442</u>	<u>341</u>
TOTAL OPERATING EXPENSES	<u>27,340</u>	<u>29,829</u>
CHANGE IN NET POSITION	(16,007)	(19,330)
NET POSITION JANUARY 1	<u>322,899</u>	<u>342,229</u>
NET POSITION DECEMBER 31	<u><u>\$ 306,892</u></u>	<u><u>\$ 322,899</u></u>

TOWN OF STRATTON, COLORADO  
COMMUNITY BUILDING PROPRIETARY FUND  
STATEMENT OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 11,333	\$ 10,499
Cash payments for supplies, goods, services	(17,396)	(11,306)
Cash payments to employees	-	(6,382)
NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES	(6,063)	(7,189)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers	1,506	-
NET CHANGE IN CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	1,506	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	-	(4,500)
NET CHANGE IN CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	-	(4,500)
NET CHANGE IN CASH	(4,557)	(11,689)
CASH - BEGINNING OF YEAR	7,882	19,571
CASH - END OF YEAR	\$ 3,325	\$ 7,882
RECONCILIATION OF OPERATING INCOME TO NET (LOSS) PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (16,007)	\$ (19,330)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	10,684	10,388
Change in assets and liabilities		
Increase (decrease) in accounts payable	(740)	359
Increase (decrease) in due to/from other funds	-	1,394
NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES	\$ (6,063)	\$ (7,189)

TOWN OF STRATTON, COLORADO

SANITATION PROPRIETARY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2019

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES</b>				
Charges for services	\$ 134,400	\$ 134,400	\$ 137,435	\$ 3,035
Interest	-	-	520	520
Other	350	350	-	(350)
<b>TOTAL REVENUES</b>	<b>134,750</b>	<b>134,750</b>	<b>137,955</b>	<b>3,205</b>
<b>EXPENDITURES</b>				
Salaries	16,601	16,601	21,270	(4,669)
Employee benefits	5,671	5,671	4,984	687
Payroll taxes	1,270	1,270	1,164	106
Utilities	20,000	20,000	19,417	583
Repairs and maintenance	15,000	15,000	13,367	1,633
Professional services	7,500	7,500	3,465	4,035
Supplies	5,000	5,000	2,840	2,160
Depreciation	-	-	22,495	(22,495)
Miscellaneous	1,636	1,636	550	1,086
Capital outlay	5,000	5,000	10,987	(5,987)
Interest expense	3,810	3,810	6,472	(2,662)
Debt service	27,934	27,934	58,571	(30,637)
<b>TOTAL EXPENDITURES</b>	<b>109,422</b>	<b>109,422</b>	<b>165,582</b>	<b>(56,160)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES</b>	<b>25,328</b>	<b>25,328</b>	<b>(27,627)</b>	<b>(52,955)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
TRANSFERS IN	-	-	49,503	49,503
<b>REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>	<b>\$ 25,328</b>	<b>\$ 25,328</b>	<b>21,876</b>	<b>\$ (3,452)</b>
<b>ADJUSTMENT TO RECONCILE BUDGETARY BASIS TO GAAP BASIS - ADJUSTMENTS FOR:</b>				
Principal paid on notes			58,571	
Acquisition of capital assets			10,987	
<b>CHANGE IN NET POSITION</b>			<b>91,434</b>	
<b>NET POSITION JANUARY 1</b>			<b>603,672</b>	
<b>NET POSITION DECEMBER 31</b>			<b>\$ 695,106</b>	

## TOWN OF STRATTON, COLORADO

## WATER PROPRIETARY FUND

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2019

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Charges for services	\$ 411,850	\$ 411,850	\$ 319,066	\$ (92,784)
Interest income	450	450	1,049	599
TOTAL REVENUES	<u>412,300</u>	<u>412,300</u>	<u>320,115</u>	<u>(92,185)</u>
EXPENDITURES				
Salaries	63,519	63,519	51,828	11,691
Employee benefits	14,954	14,954	11,340	3,614
Payroll Taxes	4,860	4,860	3,761	1,099
Utilities	16,500	16,500	13,245	3,255
Repairs and maintenance	57,500	57,500	50,639	6,861
Professional services	7,500	7,500	4,135	3,365
Supplies	4,500	4,500	3,312	1,188
Depreciation	-	-	64,637	(64,637)
Miscellaneous	5,060	5,060	9,606	(4,546)
Capital outlay	20,000	20,000	23,488	(3,488)
Interest expense	-	-	10,329	(10,329)
Debt service	68,977	68,977	146,407	(77,430)
TOTAL EXPENDITURES	<u>263,370</u>	<u>263,370</u>	<u>392,727</u>	<u>(129,357)</u>
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	148,930	148,930	(72,612)	(221,542)
OTHER FINANCING SOURCES (USES)				
TRANSFERS OUT	(213,600)	(213,600)	(18,411)	195,189
CONTRIBUTION	-	-	2,500	2,500
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	<u>\$ (64,670)</u>	<u>\$ (64,670)</u>	<u>(88,523)</u>	<u>\$ (23,853)</u>
ADJUSTMENT TO RECONCILE BUDGETARY BASIS TO GAAP BASIS - ADJUSTMENTS FOR:				
Principal paid on notes			146,407	
Acquisition of capital assets			23,488	
CHANGE IN NET POSITION			81,372	
NET POSITION JANUARY 1			<u>2,232,132</u>	
NET POSITION DECEMBER 31			<u>\$ 2,313,504</u>	

TOWN OF STRATTON, COLORADO

COMMUNITY BUILDING PROPRIETARY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2019

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Charges for services	\$ 13,300	\$ 13,300	\$ 11,333	\$ (1,967)
Other	250	250	-	(250)
<b>TOTAL REVENUES</b>	<b>13,550</b>	<b>13,550</b>	<b>11,333</b>	<b>(2,217)</b>
EXPENDITURES				
Salaries	8,500	8,500	-	8,500
Utilities	4,800	4,800	5,526	(726)
Repairs and maintenance	650	650	9,918	(9,268)
Supplies	650	650	512	138
Insurance	250	250	258	(8)
Depreciation	-	-	10,684	(10,684)
Miscellaneous	-	-	442	(442)
Capital outlay	5,000	5,000	-	5,000
<b>TOTAL EXPENDITURES</b>	<b>19,850</b>	<b>19,850</b>	<b>27,340</b>	<b>(7,490)</b>
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(6,300)	(6,300)	(16,007)	(9,707)
OTHER FINANCING SOURCES (USES) TRANSFER OUT	-	-	-	-
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	<u>\$ (6,300)</u>	<u>\$ (6,300)</u>	(16,007)	<u>\$ (9,707)</u>
ADJUSTMENT TO RECONCILE BUDGETARY BASIS TO GAAP BASIS - ADJUSTMENTS FOR:				
Acquisition of capital assets			-	
CHANGE IN NET POSITION			(16,007)	
NET POSITION JANUARY 1			322,899	
NET POSITION DECEMBER 31			<u>\$ 306,892</u>	

## LOCAL HIGHWAY FINANCE REPORT

The public report burden for this information collection is estimated to average 380 hours annually.

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: Town of Stratton YEAR ENDING : Dec-19
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This Information From The Records Of (example - City of _ or County of Town of Stratton, CO)	Prepared By: Melanee Johnson, Town Clerk Phone: 719-348-5612
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**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	164,721
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	145,916	b. Snow and ice removal	
3. Other local imposts (from page 2)	9,673	c. Other	15,325
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	15,325
5. Transfers from toll facilities		4. General administration & miscellaneous	8,902
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	6,608
a. Bonds - Original Issues		6. Total (1 through 5)	195,556
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	155,589	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	39,967	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	195,556	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	195,556

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	195,556	195,556	0	-

**Notes and Comments:**

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: Colorado
	YEAR ENDING (mm/yy): Dec-19

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Other - Specific Ownership	9,673	g. Other Misc. Receipts	
6. Total (1. through 5.)	9,673	h. Other	
c. Total (a. + b.)	9,673	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	39,064	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle	903	d. Federal Transit Admin	
d. Other (DOLA)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	903	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	39,967	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL  (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		0	0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

**Notes and Comments:**